

Testimony of Secretary Paul Jadin
Senate Committee on Workforce Development, Small Business and Tourism
January 2011 Special Session Senate Bills 3, 4 & 7
January 12, 2011

Thank you Chairman Moulton and committee members. I appreciate the opportunity to speak to you today.

Your willingness to hold a prompt hearing on this legislation demonstrates your shared commitment with Governor Walker to address the need to implement aggressive job creation efforts on an expedited timeline.

As the appointed Secretary of the state agency responsible for fostering economic development and job creation, I am appearing today in support of Special Session Senate Bill 3, Senate Bill 4 and Senate Bill 7.

Senate Bill 3 creates a new tax credit that is designed to improve Wisconsin's competitive standing to businesses and industries looking at alternative sites for their company operations. This legislation would provide a relocation tax credit for up to two years upon commencing operations in Wisconsin from another state. The urgent need for jobs in our state demands aggressive strategies. While we will continue to nurture and support the expansion and start-up efforts of homegrown Wisconsin businesses, we should not ignore opportunities to attract out-of-state businesses looking for the types of incentives presented in SB 3.

Senate Bill 4 increases the allowable allocation in the economic development tax credit program by \$25 million for a total of \$100 million. The types of activities eligible for this credit include many that meet the very purpose of this special session – namely job creation, capital investment and workforce training.

Lastly, the tax credit provided in Senate Bill 7 is targeted at the smallest of businesses, those with gross receipts under \$500,000. As a first step in the Administration's efforts to reduce the tax burden for families and businesses of all sizes, the goal of this initiative is to allow these operations to survive in these difficult times, while we continue our efforts to provide an economic climate in which they can prosper and expand.

Both the Walker Administration and the Legislature, and members of both parties, have stressed that our most pressing policy-making focus must be on job creation. In the series of bills that comprise the special session package, the legislation before you today are key initiatives that will spur job growth in the near term. As the state and nation look to a long-term economic recovery, we need to position Wisconsin to take maximum advantage of those opportunities to improve the climate for job growth.

Again, thank you for your consideration. I look forward to your continued progress on these bills, and will be glad to respond to any comments or questions at this time.



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Scott Walker
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Economic Development Tax Credit SS SB4 and SS AB 4 January 12, 2011

Goal: Encourage businesses to relocate to Wisconsin or to expand employment and investment in Wisconsin

Proposal: Expand Economic Development Tax Credit by an additional \$25 million

Points to Consider:

- There is considerable competition among states for employment and investment. Tax incentives are a common form of development incentive throughout the country.
- The Economic Development Credit gives tax credits for firms relocating or retaining corporate headquarters or expanding employment or capital investment in the state.
- As the pace of economic activity picks up, and as Wisconsin re-doubles its economic development efforts, expansion and relocation activity will increase beyond current levels.
- An expansion of the amount available for the tax credit is desirable to ensure that the principal tax incentives for economic development are readily available.
- Expanding the economic development credit is also a clear signal that Wisconsin is open for business.